



Liberty Square Proposal

City of Middletown

&

Liberty Square LLC

Workshop with Common Council

June 26, 2007, 6:00 PM



Table of Contents

- Existing Conditions
- Original City Proposal
- Harding/Liberty Square Proposal
- Staff Analysis

Existing Conditions





- Former Tines Gas Station – Vacant for over 3 years
- Assessed Value -
- Environmental – 3 underground tanks, lead, asbestos, minor soil contamination
- Last Proposed Use – gas station and 24 hour convenience store



- Equity in Housing – 4 unit affordable housing – Vacant
- Assessed Value –
- Environmental – lead and asbestos
- Due to ownership structure, a limited equity cooperative, the only future use is 4 units of affordable housing. Eminent domain is the only way to remove the property from the cooperative.



- City Parking lot
- 32 spaces – 17 monthly permit, 13 public metered, 2 handicapped.
- Public spaces - between 9-5, approximately 20-30% usage



Parking counts on May 16, 17,18, and 21st between the hours 9 AM and 5 PM.

Counts were done at 10 AM and 3 PM.

Findings indicate the following:

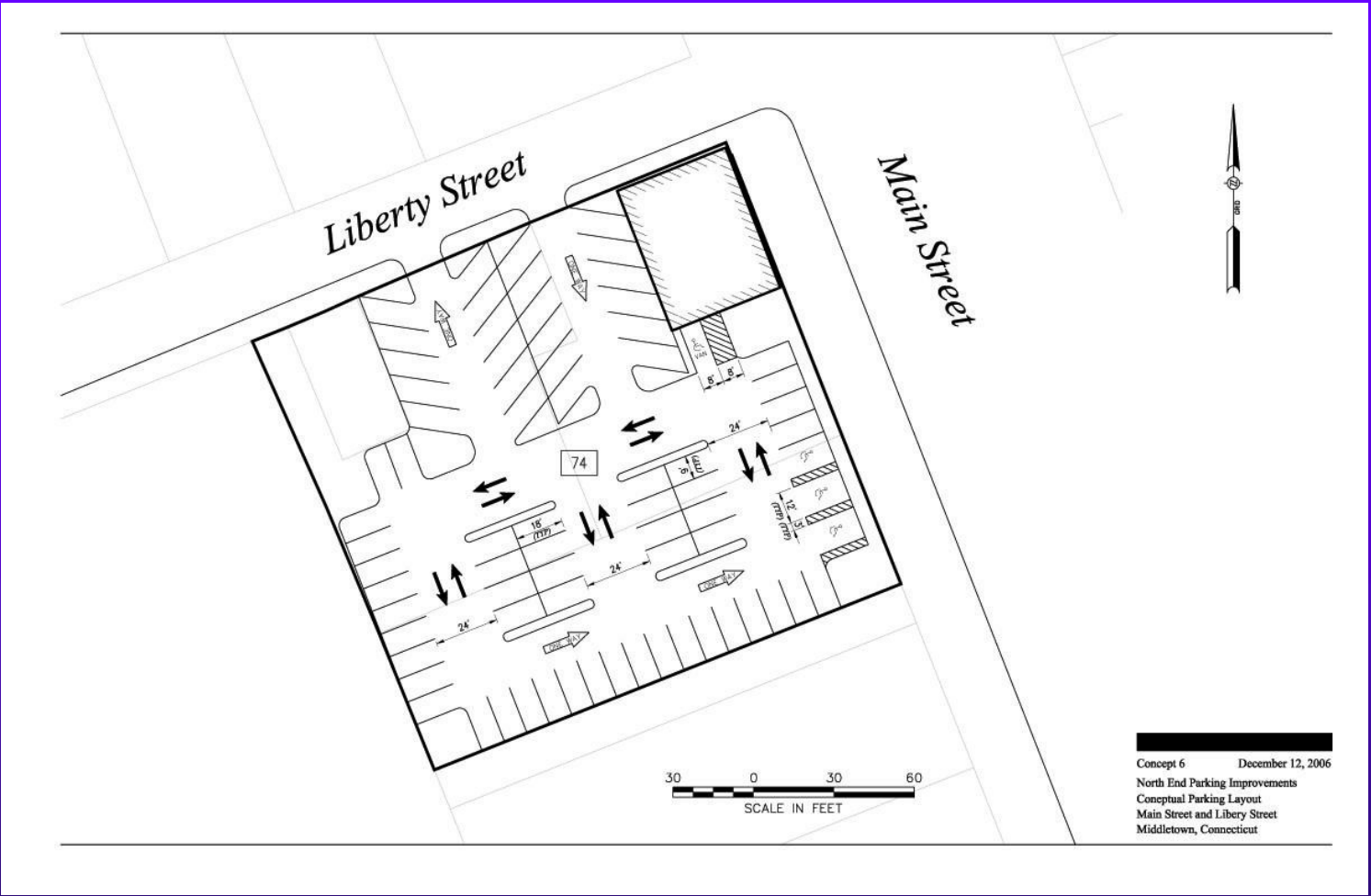
	All Day	Morning	Afternoon
	<u>Average</u>	<u>Average</u>	<u>Average</u>
Metered	4 (30%)	3 (21%)	5 (38%)
Reserved	10 (58%)	9 (53%)	11 (62%)
<u>Handicapped</u>	<u>0</u>	<u>0</u>	<u>0</u>

Spaces are underutilized during the day. Currently there are 13 public spaces and on average only 4 are used between the hours of 9 AM – 5 PM. Also the 3 spaces on Main Street are rarely used.



Original City Proposal

- Acquire both properties – secure and wait
- Federal money available (3 years)
- Merge into one site
- Environmental Clean up
- Demolish Gas Station
- Relocate blue building to corner
- Build parking lot
- Renovate blue house for commercial use





Original City Proposal

Budget

Acquisition	\$ 470,000
Remediation	\$ 85,000
Demo - Gas Station	\$ 50,000
House Relocation- 1/2 cost	\$ 95,000
Construct Lot	<u>\$ 272,000</u>
Total	\$ 972,000

Cost per space

\$23,142 per space for 42 new spaces

Renovate Blue house in 3 years - \$720,000 minimum



Impacts on Revenue

YEAR	1	2	3	4	5
Existing taxes	\$ (6,803)	\$(6,803)	\$(6,803)	\$(6,803)	\$(6,803)
New parking revenue*	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
New taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cost of abatement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
New Revenue	\$14,197	\$ 14,197	\$14,197	\$14,197	\$14,197

*assumes 35 new spaces leased monthly

Total 5 year revenue = \$70,985 and \$14,197 per year thereafter.

Renovating blue house = major cost.



Benefits of City Proposal

- Net 40 new public spaces
- Removal of blighted gas station, environmental clean up
- Elimination of potential for new gas station/convenience store
- Avoids Convenience Store / Gas Station on Main
- Moving blue house to corner helps enclose street
- Federal money available in 3 years to construct

Concerns

- Time – need to moth ball properties and wait 3 years for federal money
- Federal money may prohibit private ownership of blue house
- Very limited new revenue
- Blue house doesn't sufficiently enclose street
- Cost to renovate blue house in future
- Loss of "It's Only Natural Market" from downtown



Liberty Square Proposal

- City of Middletown and Liberty Square LLC enter into a purchase and sale agreement. Liberty Square LLC to purchase the land necessary to construct the 3-story 19,500 sq.ft. building on the corner of Main and Liberty
- As consideration Liberty Square LLC agrees to build a 68 space fully lit city parking lot at no cost to the city.
- Liberty Square begins environmental clean up, demolition and house relocation.
- Liberty Square LLC secures approvals and financing to construct a 3 story 19,500 sq.ft. building on corner of Main and Liberty for approximately \$4 million.
- Liberty Square submits performance bond to guarantee the completion of the public improvements.
- Liberty Square LLC completes new building and the 68 car parking lot by July 2008.
- City and Liberty Square LLC close on land;



Letters of Support

- Chamber of Commerce
- North End Action Team (NEAT)
- Central Business Bureau (CBB)
- Downtown Business District (DBD)
- Approved by Design Review and Preservation Board



Liberty Square Proposal

Cost to City

- Acquisition \$ 470,000
- 20 dedicated parking spaces M-F 8 am-5pm.
- Right of first refusal to lease 15 additional spaces M-F 8 am-5pm at standard monthly rate.
- Tax Abatement
- CDBG JOBS loan to "Its Only Natural"

Cost per space:

\$13,055 per space @ 36 new spaces

Includes 4 new spaces on Main Street



Revenue to City

YEAR	1	2	3	4	5
Existing Taxes	\$ (6,803)	\$(6,803)	\$(6,803)	\$(6,803)	\$(6,803)
New Parking revenue	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200
New Taxes	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$98,000
Cost of abatement	\$(88,200)	\$(73,500)	\$(44,100)	\$(32,340)	\$ 0
New Revenue	\$ 10,197	\$ 24,897	\$ 54,297	\$ 66,057	\$98,397

Total 5 year revenue \$239,000 and \$98,397 per year after year 5....

Details of Tax Abatement

9 Liberty Street Project Tax Abatement per City Ordinance

19,500 sf office/retail building

Appraised \$ 4,359,486

Assessed \$ 3,051,640

Mills 0.0318

		<u>Yr 1</u>	<u>Yr2</u>	<u>Yr3</u>	<u>Yr 4</u>	<u>Yr 5</u>
		10%	25%	45%	66%	100%
Taxes Paid	--	\$9,704	\$24,261	\$43,669	\$64,048	\$97,042





Benefits of Liberty Square Proposal

New fully lit 68 space public parking lot at the corner of Main and Liberty. Net increase of 34 spaces;

Cost \$470,000 in already appropriated city money and \$50,000 in block grant JOBS loan to business.

Seven (7) new on-street metered spaces on Main Street; Removal of blighted gas station;

Elimination of potential for gas station/convenience store and environmental clean up;

Very attractive new building with four (4) businesses relocating into the north end;

Retention of two (2) well known retailers in the downtown;

New building will pay \$98,000 per year in taxes with 4 year abatement per City ordinance. City will net \$239,000 in first five (5) years and \$98,000 per year thereafter;

Approximately 30 new jobs and \$3.5 million of new investment in the North End on Main Street;

Speed – projected completion in July 2008. Not moving forward in this manner means city will acquire both properties and sit on them until federal funds are allocated for the project, approximately 3 years.



Liberty Square Proposal and Parking

The proposal would create 68 spaces plus 7 spaces on Main Street. Assuming the city continues to lease the existing 17 spaces and an additional 35 spaces are designated for office tenants, 23 public spaces would exist between 9AM – 5 PM with 3 fully compliant handicapped spaces.

There would be 75 public spaces after 5 PM Monday – Friday and on weekends. Currently there are 35 spaces.



Staff Analysis

Planning and Design

The Downtown Plan and the Zoning Code sets a maximum setback from Main Street of 5 feet. They also require buildings on Main Street to have a minimum height of 2 stories and a maximum height of 6 stories. New curb cuts are not allowed and the Zoning Code requires continuous retail frontage on Main Street.

The existing gas station is totally non conforming in that gas stations are not permitted in the downtown zone. It is setback from the road over 50 feet and it is one story with 2 curb cuts on Main Street.

The previous owner owns several gas station/convenience stores and has prepared plans to create a gas station/convenience store at this location.

The Liberty Square plan complies with all zoning. It creates a 3-story building, complies with the 5 foot maximum setback, provides for continuous retail frontage, and eliminates the gas stations 2 curb cuts.

The Liberty Square plan encloses the streetscape. The gas station parcel has 117 feet of street frontage and the proposed building is 90 feet along Main Street. Liberty Street is one way and it is best to maintain the curb cut for the existing city lot to provide access and visibility to Main Street.

Community Development

The north end is the city's lowest income census tract and there has been virtually no significant private investment on Main Street in the last 20 years.

The Liberty Square proposal will bring \$3.5 million of new investment. It will create low to moderate income jobs and bring good businesses into the north end. One of the retailers will bring a direct benefit to the residents of the north end.

The new parking is needed in the north end and the opportunity will be created where people can live, work and shop in the north end. A long term goal of the city.

Economic Development

The Liberty Square proposal will create approximately 30 jobs and approximately \$98,000 in tax revenue. The city will also retain 2 very successful retailers in the downtown. This new private investment will attract additional investment in the north end.

Environmental

The project will pull the underground tanks, remove significant amounts of lead paint and asbestos from the gas station building.

The project will eliminate a long blighted gas station.

The plan will provide for the maximum number of street trees in the new parking lot.